REMARKS

This responds to the Office Action dated January 15, 2010.

Claim 1 is hereby amended. No claims are hereby canceled, or added. As a result, claims 1-2, 6-10 and 24-25 remain pending in this application.

The Rejection of Claims Under § 103

Claims 1, 6, 8-10, and 24-25 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Nahan et al. (U.S. 5,664,111; hereinafter, "Nahan") in view of "*Manic Market: Prices of Hottest Art Reach Stunning Levels As Boom Keeps Going --- Some Still Say It Has to End, But Smart-Money Crowd Is Paying Little Attention --- New Millions From a Swede*" (referred to in the Office Action as "PTO 892 V"; hereinafter, "Cox").

Claim 2 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Nahan and Cox as applied to claim 1, and further in view of Shultz et al. (U.S. Patent No. 5,056,019; hereinafter, "Shultz").

Finally, claim 7 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Nahan in view of Cox as applied to claim 1 above, and further in view of Abel et al. (U.S. Patent No. 5,852,809; hereinafter, "Abel").

For the reasons set forth below, Applicant submits that the claims are not obvious in view of the cited and relied upon art.

Claims 24 and 25

In the Office Action, the Examiner rejected claims 24 and 25 without giving any weight whatsoever to any language in the claims other than the word, "when." In particular, the Examiner states that because of the word, "when," the recited method operations are "conditional limitations" and therefore do not further limit the scope of the claims. In support of the Examiner's rejection, the Examiner cites to *In re Johnston* 77 USPQ2d 1788 (CAFC 2006); *Intel Corp. v. Int'l Trade Comm'n* USPQ2d 1161 (Fed. Cir. 1991); and §2106 II C of the MPEP. Applicant disagrees with the Examiner's interpretation of the claim language, and the application of the relevant case law. As such, Applicant respectfully requests that the Examiner reconsider and withdraw the claim rejections.

MPEP §2106 II C states that the Examiner should carefully consider "[l]anguage that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure." As an example, the *In re Johnston* matter involved a dependent claim that stated, "further including that said wall ***MAY*** be smooth, corrugated, or profiled with increased dimensional proportions as pipe size is increased."[1] Here, the additional language was not found to further limit the scope of the claim because of the permissive nature of the word, "may". In other words, the claimed wall may, or may not, have the stated features.

In the present matter, rejected claim 24 recites, "**when** changing said data record to reflect a new offer price from said second owner, updating the data record for said good to indicate that said good is awaiting an auction date." Accordingly, the word, "when," as used in claim 24, does not serve to make any portion of the claim optional, but instead, the word "when" defines a temporal relationship between the two operations. In other words, the claim requires that a data record for a good be updated to indicate that the good is awaiting an auction date at the time the data record is changed to reflect a new offer price from a second owner.

Similarly, rejected claim 25 recites in part, "**when** updating the data record for said good to indicate that said good is awaiting an auction date, updating the data record to indicate that the good is not to be visible in the marketplace until a future auction date." Here again, the word "when," as used in claim 25, serves to define the temporal relationship of the two operations. That is, the updating of the record to indicate that the good is not to be visible is to occur when the data record is updated to indicate that the good is awaiting an auction date. In no way does the word "when" make the updating operation optional. The word "when" simply defines the time, in relation to another operation, that the updating of the record is to occur.

Because the Examiner clearly misinterpreted the plain meaning of the claim language and essentially gave no weight to any word in the claim other than the word, "when," the Examiner's rejection is improper and should be withdrawn. Moreover, Applicant submits that the subject matter of claims 24 and 25 is not described in the relied upon prior art, and therefore the claims should be allowed.

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[1] *In Re. Johnston* (CAFC 2006) (05-1321) at page 4.

Claim 1

Claim 1 has been amended to recite as follows:

> A method for creating a computerized market for used goods and collectibles using a computer, a database and a plurality of participant terminals comprising the steps of:
>
> posting a used or collectable good on a market maker computer by creating a data record for said good, the data record having an item identification information and offer price;
>
> displaying in response to a participant request from said participant terminal to display said data record information on said participant terminal;
>
> receiving as part of an order to buy said good a selection indicating ownership of said good is to be transferred from a first owner to a second owner and said good is to be offered at a new price;
>
> processing the order to buy said good from said participant terminal by transferring ownership of said good from the first owner to the second owner; and
>
> changing said data record to reflect the new offer price from said second owner without modifying the item identification information; and
>
> posting said good on said market maker computer at said second owner offer price.

Claim 1 has been amended to clarify that the posting of the good at a new price by the second owner occurs temporally proximate (e.g., as part of the transaction between the first and second owner) to the second owner's purchasing of the good. Moreover, claim 1 has been amended to clarify the efficiency gained by not requiring the second owner to provide any information about the good, as that information is already part of the data record created by the first owner. Specifically, amended claim 1 states that the data record is changed to reflect the new price set by the second owner "without modifying the item identification information" of the data record. Support for the claim amendments can be found in the specification as originally

filed, for example, in the paragraph beginning at line 19 on page 4, and the description of Figure 7 beginning on page 25.

Claim 1, as amended, is not obvious in view of the combination of Nahan and Cox. Nahan does not describe the newly introduced claim limitations of claim 1, nor is there any evidence within the Nahan reference itself to suggest that the inventors of the system described in Nahan contemplated such features. Specifically, claim 1 recites "receiving as part of an order to buy [a] good a selection indicating ownership of said good is to be transferred from a first owner to a second owner and said good is to be offered at a new price." This claim element is not described or suggested in the Nahan reference.

The Cox reference describes the speculative nature of the art market. However, the Cox reference does not describe or even suggest a computer-based market for buying and/or selling art. **THE COX REFERENCE IS SILENT WITH RESPECT TO COMPUTER-BASED MARKETS – no mention of a computer, let alone a data record.** In the Office Action, the Examiner suggests that the Cox reference describes "buying art, waiting for a run-up in prices and selling." Applicants agree. However, this is not what Applicant has claimed. Applicant's claim involves a data record for use with a computer. Cox makes no mention whatsoever of utilizing a computer or a data record to buy or sell art. As such, Applicant is puzzled as to how it is that Cox would have lead a skilled artisan to add the claimed features that the Examiner admits are missing from the Nahan reference to any computer-based market system. The Examiner additionally states that the Cox reference describes how "important paintings are being bought by investors [and] sometimes they don't even bother to pick them up." Here again, the Cox reference makes no mention of a computer or a data record. There is nothing in the Cox reference to indicate that investors are utilizing computers or data records to buy and sell art. To suggest otherwise is entirely improper. In fact, the Cox reference describes an auction that took place "at Sotheby's."[2] This indicates that to participate in the auction, one had to be at the auction. Similarly, the Cox reference describes how Jasper Johns was stunned when he received a "telephone call."[3] This antiquated mode of communication was popular in the year 1988 when the Cox reference was first published, but is wholly inconsistent with the idea of using computers and data records to buy and sell art. There simply is no description or teaching within Cox that

[2] Cox, first paragraph of Abstract.
[3] Cox, first paragraph in "Full Text" section.

would have lead a skilled artisan to modify Nahan to include the elements recited in claim 1. Just as birds were observed flying prior to the first airplane being invented, Applicant acknowledges that the concept of price speculation existed well before the time when Applicant made his invention. However, a flying bird gave no more insight into how to build an airplane than Cox provides insight into how to use computers and data records to buy and sell art.

Additionally, claim 1 involves updating a portion of a record to reflect a new price, while leaving a portion of the record (e.g., the item identification information) unchanged. This of course means that an item is essentially offered for sale twice via a single data record. Only the price field of the record is updated. This is not described or suggested in Nahan or Cox. The Examiner has indicated that the Nahan reference "provides updating an item record/item history including previous prices paid for the item." Providing a history of prices paid for an item is simply not the same as enabling a seller to post an item for sale at a new price during a transaction in which the seller becomes the owner of the item. In fact, the stated purpose of the creation of the historical record of prices, as explicitly set forth in Nahan, is to "provide[] a more consistent and accurate basis to conduct appraisals for insurance or estate purposes."[4] As such, it is clear that the inventors of the system described in the Nahan references were not contemplating Applicant's claimed features, but instead, the inventors were concerned with the "high cost to dealers"[5] that results from "[a] substantial investment in inventory, real estate … [and] insurance."[6] Accordingly, the fact that Nahan mentions keeping a historical record of prices has absolutely nothing to do with enabling a second owner to post an item at a new price.

For the reasons set forth above, Applicant submits that claim 1 is not obvious in view of Nahan and Cox. Applicant respectfully requests that the rejection of claim 1 be withdrawn and the claim allowed.

Claims 2 and 6-10

Claims 2 and 6-10 are dependent upon claim 1 and are thus allowable for at least the same reasons set forth above with respect to claim 1. Claims 2 and 6-10 may be patentable for other reasons as well.

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[4] Nahan, Column 4, Line 54.
[5] Nahan, Column 1, Line 63.
[6] Nahan, Column 1, Line 63.

CONCLUSION

Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone the undersigned at (408) 660-2014 to facilitate prosecution of this application.

If necessary, please charge any additional fees or deficiencies, or credit any overpayments to Deposit Account No. 19-0743.

Respectfully submitted,

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 15th day of April, 2010.

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